

# EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA

Two Northside 75, Suite 300, Atlanta, GA 30318-7701 (404) 350-6300 (800) 805-4609 [www.ers.ga.gov](http://www.ers.ga.gov)

*The answers to the FAQ's below are based on laws in effect as of April 1, 2010. Future changes in the laws governing the Employees' Retirement System (ERS) could affect the answers.*

## **If I terminate employment with the state, what retirement benefits can I get?**

- **If you are age 60 and have at least 10 years of creditable service under the Employees' Retirement System (ERS),** you can retire with a monthly benefit without a reduction in benefit.
- **If you have at least 25 years of creditable service under ERS,** you can also retire with a monthly benefit at any age, but there is a 7% penalty for each year less than 30 or for each year under age 60 whichever is smaller.
- **If you have at least 30 years of creditable service,** you can receive a monthly retirement benefit without any penalty.

## **I don't have 10 years of service. What can I get?**

You can get a refund of your contributions and interest, or you can leave the money with ERS, in case you return to state service and again become a contributing member. However, your account will not accrue further interest if you are not a contributing member of ERS.

## **Should I get a refund if I don't have enough creditable service to vest?**

If you can find another job covered by ERS within 4 years of termination and you have left your money in the system, you retain the membership rights you had at termination and will "pick up where you left off." If you return after 4 years, your membership will be established under the provisions of law in effect at your rehire date.

**NOTE:** If you have at least 10 years of service and have not received a refund and you find a job covered by the Teachers Retirement System (TRS), you can choose to remain a member of ERS. But you must make this decision within 60 days of your TRS hire date.

## **What if I get a refund and return to state service at a later date?**

If you took a refund when you left (regardless of the amount of creditable service), upon rehire you will be covered under the retirement plan offered to new hires at the time of rehire. You may buy back your refunded service by:

1. Completing 2 additional years of ERS membership, and
2. Repaying a lump sum equal to the withdrawn amount plus 4.25% interest compounded annually from the date of refund to the date of payment.

The buyback can apply to any refunded service. Upon receipt of payment, service and the withdrawn amount will be credited to a current, active ERS membership. Retirement benefits will still be calculated using the highest 24 consecutive months' salary, including repurchased service, if appropriate.

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## **If I get a refund, will I have to pay any taxes?**

You will be responsible for paying federal taxes and any penalties (if applicable) on the untaxed money in your account which includes: (1) any interest and (2) for Old Plan members only, your employer-paid employee contributions. You may also request that your untaxed refund amount be rolled over into a Qualified Retirement Plan or an Individual Retirement Account. The contributions you have made have already been taxed and cannot be rolled over. Monies rolled over are not taxable until they are withdrawn. Consult a professional tax advisor or the IRS for further information.

## **Where can I get an application for a refund of my contributions?**

You can download a copy at [www.ers.ga.gov](http://www.ers.ga.gov) under Forms and Publications.

## **I don't have 25 years and I'm not age 60. What can I get?**

If you have at least 10 years of creditable service but you don't have at least 25 years, you can leave your money with the retirement system (not get a refund) and remain vested. At age 60 you can apply for retirement and begin drawing a monthly retirement benefit. It is your responsibility to notify ERS 30 – 90 days prior to age 60 in order to make your application for retirement. You can also get a refund of your contributions and interest, but if you choose that option, you forfeit any rights to further benefits from ERS, **including your vested monthly retirement benefit.**

**NOTE:** If you have at least 10 years of service and have not received a refund and you find a job covered by the Teachers Retirement System (TRS), you can choose to remain a member of ERS. But you must make this decision within 60 days of your TRS hire date.

## **What about my life insurance? Can I keep that?**

You may have two kinds of life insurance: (1) through Flexible Benefits (that you choose each year during Open Enrollment) and (2) Group Term Life Insurance (GTLI) through the Employees' Retirement System.\* Contact the State Personnel Administration for questions about your insurance through Flexible Benefits. For more information refer to their website: [www.spa.ga.gov](http://www.spa.ga.gov).

If you retire with a monthly benefit, you will be able to keep your GTLI through ERS. Before retirement and while under age 60, your GTLI coverage is equal to 18 times your monthly salary. At age 60, the amount of your GTLI coverage begins reducing at a rate of 1/2% of the age 60 coverage every month. At age 65 the reduction stops and you have 70% of the GTLI amount you had at age 60. At retirement, the amount of coverage automatically reduces to 70% of the age 60 amount. No further premiums are payable upon retirement.

\*GTLI is provided to members of the ERS "Old" and "New" plans. It is not offered to members of the Georgia State Employees' Pension and Savings Plan (GSEPS) – generally those hired on or after January 1, 2009.

## **I don't have enough service to retire. Can I still keep my GTLI?**

It depends on how many years of creditable service you have. If you have at least 18 years of creditable service (excluding forfeited leave) and you remain vested for retirement (i.e. you do not get a refund) you can keep your GTLI coverage. **However**, you must write to the ERS and request that your coverage continue. The premium will cost 1% of your final salary for each month until retirement, death

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or, if you decide to get a refund later, at the time of refund, at which time these premiums will be deducted from the benefit payable. If you have enough service to vest but don't have 18 years of creditable service, or if you don't have enough service to vest, or if you decide to get a refund, your GTLI coverage ends upon termination of employment.

If you keep your GTLI coverage, the amount of coverage is the same as set out in the question above. Reductions to this amount begin at age 60, or upon earlier retirement. No further premiums are payable upon retirement.

## **Can I buy additional service?**

You can buy up to 3 years of "Air Time" service. For example, if you are under age 60 and only have 22 years of creditable service, you could buy three years of "Air Time" service to give you the 25 years needed to begin a retirement benefit immediately. There are four things to remember about buying "Air Time": 1) you must purchase this service when you submit a retirement application; 2) you cannot purchase this service after you have been terminated by your department; 3) you cannot use "Air Time" to gain the 10 years required for vested benefits; and 4) "Air Time" is very expensive – costing anywhere from 60% to 150% of your yearly salary to purchase one year of creditable service.

## **I'm eligible to purchase prior refunded service or military service. Can I buy that service later?**

You may only purchase service while you are an active, contributing member under ERS – not after separating from employment.

## **How much will I get if I choose a retirement benefit?**

On the ERS website ([www.ers.ga.gov](http://www.ers.ga.gov)), click on Members/Log-In. Follow the directions to log in/set up your account. Once you are logged into the site, look for the "Generate Benefit Estimate" tab. This will allow you to calculate the same estimate you would receive from one of our Retirement Specialists. You can also find out your total contributions and interest as well as your current creditable service. NOTE: Check with your Human Resources or payroll office for forfeited leave totals.

## **Where can I get a retirement application?**

You can download a copy at [www.ers.ga.gov](http://www.ers.ga.gov) under Forms and Publications.

## **Can I keep my health insurance and Flexible Benefits?**

If you are immediately retiring with a monthly benefit, you can keep your health insurance. For other questions about health insurance, contact the Department of Community Health: [www.dch.georgia.gov](http://www.dch.georgia.gov). Flexible Benefits questions should go to the State Personnel Administration: [www.spa.ga.gov](http://www.spa.ga.gov).

## **If my employment is terminated, when will I get my check for annual leave?**

Questions about payments for annual leave should be directed to your payroll office. If you're interested in sheltering your annual leave payment from income taxes, you can contribute most of the payment into

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the Peach State Reserves 457 plan (if eligible). Download the Annual Leave Agreement from the Peach State Reserves website at <http://myGAPsr.ingplans.com> or contact ING at 1-866-694-2777 (option 2).

**NOTE:** If you are not eligible for a monthly benefit, keep a record of your leave amounts at termination. Under current law if you are rehired in a position covered by ERS, you can recover prior sick and forfeited leave to use toward retirement.

## What happens to my Peach State Reserves 457 and/or 401(k) plan?

There is no requirement to take your money out of the plan, unless your account balance is \$1,000 or less. With Peach State Reserves, you continue to have access to your account, with the following benefits:

- Continued tax-deferred status on your investments
- Access investment advice
- Manage your investments & transfer money among funds
- Download account data to Quicken® & Microsoft® Money

Visit the plan website at <http://myGAPsr.ingplans.com> or call 1-866-694-2777. Withdrawals/rollovers can be made directly on the website; however they cannot be made until after 30 days of separation from the state. To set up a meeting with a Peach State Reserves Local Plan Consultant, call and press option 2.

NOTE: 401(k) withdrawals made prior to age 59 ½ are generally subject to an early withdrawal penalty. If your new employer accepts rollovers, you can roll your 401(k) and/or 457 plan to your new plan and continue to maintain tax-deferred status on the money, however you should keep in mind that 457 plan balances are not subject to the early withdrawal penalty described above. If you roll your 457 balance to a 401(k) plan, it will become subject to 401(k) plan rules, including the early withdrawal penalty if you subsequently choose to take a distribution from the new plan prior to age 59 ½.

## Contact Information

- Pension/Retirement benefit information - Employees' Retirement System of Georgia
  - 800-805-4609, Local 404-350-6300
  - [www.ers.ga.gov](http://www.ers.ga.gov)
- Peach State Reserves 457 and 401(k) - ING
  - 866-694-2777
  - <https://myGAPsr.ingplans.com>
- Health Insurance information – Dept. of Community Health State Health Benefit Plan (SHBP)
  - 800-601-1863, Local 404-656-6322
  - [www.dch.georgia.gov](http://www.dch.georgia.gov)
- Flexible Benefits – State Personnel Administration (SPA)
  - 888-968-0490, Local 404-656-2730
  - [www.spa.ga.gov](http://www.spa.ga.gov)